Different folks have different strokes: Investigating the role of supervisor-reported cognitive dissimilarity as an antecedent to employee perceptions of psychological contract breach

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Research Objectives

(1) To examine the relationship between supervisor-subordinate cognitive dissimilarity and subordinate perceptions of psychological contract breach (PCB).

(2) To test the mediating role of LMX in the cognitive dissimilarity-PCB relationship.

(3) To examine the moderating role of communication frequency in the LMX-PCB relationship.
Cognitive Dissimilarity and PCB

- Cognitive dissimilarity: a systematic difference between individuals in preferred ways of organising and processing information (e.g., Messick, 1976)

- Dissimilarity likely to result in different cognitive schemata (Engle & Lord, 1997)
  - Schemata are cognitive frameworks that represent organised knowledge about a given concept

- Dissimilarity likely to result in more interpersonal conflict (Engle & Lord, 1997)
  - Similarity increases interpersonal liking (Allinson et al., 2001)
  - Dissimilarity accentuates negative characteristics of a dyadic relationship (Tsui et al., 2002)

- Suggests a possible link between cognitive dissimilarity and PCB
Morrison & Robinson (1997): there are two root causes of perceived breach:

- **Incongruence**: More likely to result when employees and supervisors have different cognitive schemata (regarding obligations to one another)

- **Reneging**: More likely to result when there is dislike and interpersonal conflict within the dyad

**H1**: Supervisor-subordinate cognitive dissimilarity (as rated by the supervisor) will be positively related to subordinate perceptions of PCB.
Mediating Role of LMX

- Cognitive dissimilarity $\rightarrow$ LMX
  
  - Supervisor-subordinate cognitive similarity fosters development of high-quality LMX relationships; dissimilarity fosters development of low-quality LMX relationships (e.g., Allinson et al., 2001).

- LMX $\rightarrow$ PCB
  
  - Employees in high-quality LMX relationships usually receive better treatment from their supervisors than employees in low-quality LMX relationships (e.g., Graen et al., 1982).
  
  - Social exchange theory: subordinates will reciprocate positive treatment with enhanced performance, and reciprocate negative treatment by reducing performance.
  
  - Supervisor-subordinate behaviour based on adherence to positive reciprocity norm will lead to less PCB, while behaviour based on adherence to negative reciprocity norm will lead to more PCB (Robinson & Morrison, 2000).
H2: LMX will mediate the relationship between supervisor-subordinate cognitive dissimilarity and subordinates’ perceptions of PCB.
Moderating Role of Communication Frequency

- Morrison & Robinson (1997): when employees perceive that a promise has been broken, they will engage in a cognitive sense-making process.

  - Will seek out an "explanation" for why a given promise was not fulfilled.

- Explanations may constrain the extent to which an employee perceives that breach has occurred (Morrison & Robinson, 1997).

- Frequent communication is more likely, than infrequent communication, to result in an explanation for why a given promises was not fulfilled.
Moderating Role of Communication Frequency

- Can be explained in terms of the social resources theory (Lin et al., 1981a)
  - Those higher-up in the formal organisational hierarchy (e.g., supervisors) have more access to valuable resources, such as information (e.g., Seibert et al., 2001)
  - Those lower in the hierarchy can access these resources via communication with these individuals (Lin et al., 1981b)

- Our argument: the negative relationship between LMX and the perception of breach will be stronger when supervisors and subordinates communicate frequently as opposed to infrequently. Thus,

- H3: Frequency of communication will moderate the negative LMX-breach relationship. The negative relationship will be stronger when frequency of communication is high, as opposed to low.
Study 1

- Test of H1 & H2

- Sample: employees and direct supervisors from six large financial institutions in the Philippines ($N = 180$)

- H1 supported: supervisor-subordinate cognitive dissimilarity (as rated by the supervisor) was positively related to subordinate perceptions PCB.

- H2 supported: LMX fully mediated the relationship between supervisor-subordinate cognitive dissimilarity and subordinate perceptions PCB.
Study 2

- Test of H1, H2, & H3
- Longitudinal survey data with an interval of 3 months
  - Time 1: supervisor ratings of cognitive dissimilarity & frequency of communication with subordinate
  - Time 2: subordinate ratings of LMX and PCB
- Sample: employees and their direct supervisors from two large universities in the Philippines \((N = 158)\)
- H1 supported: dissimilarity \((T1)\) negatively related to PCB \((T2)\)
- H2 supported: LMX \((T2)\) fully mediated dissimilarity \((T1)\) – PCB \((T2)\) relationship
- H3 supported: negative effect of LMX on PCB stronger when communication frequency was high, as opposed to low
Summary of Findings

- Consistent support for the positive association between supervisor-subordinate cognitive dissimilarity and subordinate perceptions of PCB (Studies 1 & 2).

- Consistent support for the mediating role of LMX in the cognitive dissimilarity-PCB relationship (Studies 1 & 2).

- Evidence that communication frequency influenced the effect of LMX on breach (Study 2); the negative LMX-breach relationship was stronger when there was high frequency of communication between the supervisor and subordinate.
Main conclusions

- The extent to which supervisors & subordinates ‘think the same’ will determine the quality of the relationship that they develop. This, in turn, will determine the extent to which the employee perceives PCB.

- However, even if low relationship quality means that promises are more likely to be broken, the employee will be less likely to conclude that PCB has occurred if s/he has a high frequency of communication with the supervisor.
Thank You!

We look forward to your feedback